

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO- 1301

ANSWERED ON MONDAY, DECEMBER 8, 2025 / AGRAHAYANA 17, 1947 (SAKA)

Recovery of Non-Performing Assets (NPAs)

1301. SHRI G LAKSHMINARAYANA:

Will the Minister of FINANCE be pleased to state:-

(a) the total value of Non-Performing Assets (NPAs) in public and private sector banks during the last five years, including agriculture, industry, MSMEs, and corporate loans in the country, State-wise, sector-wise and year-wise;

(b) the details of the number and value of accounts written off, under resolution, or referred to the Insolvency and Bankruptcy Code (IBC) and Debt Recovery Tribunals, year-wise;

(c) the average time taken for recovery of NPAs and reasons for delays, if any, including procedural or legal bottlenecks;

(d) the amount of funds allocated and utilised for recapitalisation of banks to manage NPAs and improve credit flow;

(e) the measures taken by the Government to prevent future NPAs in public and private sector banks in the country, including credit monitoring, lending norms and supervisory oversight; and

(f) the details of the Government's plans to strengthen recovery mechanisms and improve bank asset quality?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a): The Gross Non-Performing Assets (NPAs) in Public Sector Banks (PSBs) and Private Sector Banks (PVBs) for the last five financial years are as under:

(Amounts in crore Rs.)

As on	Public Sector Banks		Private Sector Banks	
	Gross NPA	Gross NPA to Gross Advances (%)	Gross NPA	Gross NPA to Gross Advances (%)
31.3.2021	6,16,616	9.11	2,02,266	4.94
31.3.2022	5,40,958	7.28	1,80,742	3.84
31.3.2023	4,28,197	4.97	1,25,212	2.29
31.3.2024	3,39,541	3.47	1,29,047	1.85
31.3.2025	2,83,650	2.58	1,32,646	1.75

Source: RBI

The Reserve Bank of India (RBI) has apprised that the state-wise information regarding gross NPAs is not maintained by it. However, year-wise and category-wise details of NPAs in PSBs and PVBs for domestic operations, for categories Agriculture and Allied Activities, Industry and Service (including Micro, Small, Medium Enterprises) and Retail loans, during the last five financial years are at **Annex-1**.

(b): RBI has informed that the number of accounts of written-off loans is not maintained by it. However, the details of number (as reported by PSBs for three FYs) and amount of written-off loans (as reported by RBI), for PSBs and PVBs are at **Annex-2**.

As regards Insolvency and Bankruptcy Code (IBC), year wise details of cases yielding resolution plans and amount realisable by creditors, as provided by Insolvency and Bankruptcy Board of India (IBBI), are at **Annex-3**.

The number of cases referred to Debt Recovery Tribunal (DRT), amount involved and amount recovered in those cases are at **Annex-4**.

(c): The average time taken for recovery of NPAs cannot be determined as it depends on a lot of factors like resolution methodology and recovery mechanisms adopted (SARFAESI/DRT /IBC/OTS, etc.).

As regards IBC, the 1300 Corporate Insolvency Resolution Process (CIRPs), which have yielded resolution plans by the end of September, 2025 took on average 603 days (after excluding the time excluded by the Adjudicating Authority). Similarly, the 2896 CIRPs, which ended up in orders for liquidation, took on average 518 days for conclusion. Further, 1529 liquidation processes, which have closed by submission of final reports took on average 668 days for closure. Delays are mainly on account of litigation as the resolution process under the IBC is an adjudicatory process.

(d): PSBs have significantly improved their financial performance, turning profitable and strengthening their capital position. During FY 2020-21 and FY 2021-22, Government has infused capital of Rs 24,600 crore in PSBs to meet their capital requirement. PSBs now rely on market sources and internal accruals to meet their capital requirements and there has been no capital infusion by Government in PSBs since FY 2022-23.

(e) and (f): Comprehensive measures have been taken by the Government and RBI to prevent future NPAs from accretion as well as to reduce and recover NPA which includes, *inter alia*, the following:

- (i) Under the PSB Reforms Agenda, comprehensive and automated Early Warning Systems (EWS) were instituted in PSBs, with approximately 80 EWS triggers and use of third-party data for time-bound remedial actions in the borrowing accounts to proactively detect stress and in turn reducing slippage into NPAs.
- (ii) Moving from the '**Debtor in Possession**' to a '**Creditor in Control**' regime change in credit culture has been effected, with the Insolvency and Bankruptcy Code, 2016 (IBC) fundamentally changing the creditor-borrower relationship. Behavioral impact of IBC may be observed from the fact that as of March 2025, more than 30,000 applications having underlying default of Rs. 13.78 lakh crore have been settled at pre-admission stage itself.
- (iii) The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) and the Recovery of Debt and Bankruptcy Act have been amended to make it more effective. Key amendments in SARFAESI, *inter alia*, Empowered RBI to audit and inspect Asset Reconstruction Companies (ARCs) and to impose penalties for non-compliance; mandated registration of all security interests with the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI); created additional DRTs to speed up case disposal; enabled non-institutional investors to invest in Security Receipts.

- (iv) Pecuniary jurisdiction of DRTs was increased from Rs. 10 lakhs to Rs. 20 lakhs to enable the DRTs to focus on high value cases resulting in higher recovery for the banks and financial institutions.
- (v) Public Sector Banks have set-up specialized stressed assets management verticals and branches for effective monitoring and focused follow-up of NPA accounts, which facilitates quicker and improved resolution/ recoveries. Deployment of Business correspondents and adoption of Feet-on-street model have also boosted the recovery trajectory of NPAs in banks.
- (vi) Prudential Framework for resolution of stressed assets was issued by RBI on 7.6.2019 to provide a framework for early recognition, reporting and time bound resolution of stressed assets, with a build-in incentive to lenders for early adoption of a resolution plan.
- (vii) Government and RBI have been working in coordination to strengthen the various recovery mechanisms available. These include filing of suits in civil courts or in Debt Recovery Tribunals, action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, filing of cases in the National Company Law Tribunal under the Insolvency and Bankruptcy Code, through negotiated settlements/compromise, and through sale of non-performing assets. In addition to these to address the delays in completion of CIRPs various amendments have been proposed in IBC that are under legislative approval.

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Sector-wise details of NPAs in PSBs and PVBs, for domestic operations

(Amounts in crore Rs.)

Sector	As on	Public Sector Banks	Private Sector Banks
Agriculture and Allied Activities	31.3.2021	1,17,339	20,122
	31.3.2022	1,16,052	19,333
	31.3.2023	1,14,850	20,491
	31.3.2024	1,08,985	21,795
	31.3.2025	1,09,193	31,483
Industry, including MSME	31.3.2021	2,57,948	81,715
	31.3.2022	2,10,517	73,997
	31.3.2023	1,38,666	38,810
	31.3.2024	96,026	32,372
	31.3.2025	65,365	25,669
Services, including MSME	31.3.2021	1,41,819	56,897
	31.3.2022	1,25,505	46,461
	31.3.2023	1,09,962	31,524
	31.3.2024	81,889	38,087
	31.3.2025	67,804	35,851
Retail Loans	31.3.2021	35,887	26,439
	31.3.2022	35,191	22,880
	31.3.2023	33,208	24,315
	31.3.2024	31,491	30,307
	31.3.2025	30,671	36,536

Source: RBI

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Details of NPAs written-off by Public Sector Banks and Private Sector Banks

(Amounts in crore Rs.)

Financial Year	Public Sector Banks		Private Sector Banks
	Number*	Amount#	Amount#
2020-21	-	1,31,894	66,863
2021-22	-	1,15,536	53,098
2022-23	17,20,431	1,27,238	83,248
2023-24	16,33,882	1,14,622	47,403
2024-25	17,60,080	91,260	58,430

Source: #RBI, *PSBs

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Details of cases yielding resolution plans and amount realisable by creditors

(Amount in crore Rs.)

Financial Year	Number of Resolutions	Total Admitted Claims	Total Realisable Value
2020-21	119	1,27,200	27,551
2021-22	142	1,95,383	46,369
2022-23	186	1,53,567	55,361
2023-24	263	1,68,927	46,176
2024-25	259	1,62,746	55,821

Source: IBBI

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SCBs data on “Reduction in NPA due to write-offs” and “number and value of cases referred to DRTs

(Amounts in crore Rs.)

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Reduction in NPAs - due to write-offs	2,02,781	1,74,966	2,16,324	1,70,262	1,57,029
No. of cases referred to DRTs	28,182	30,651	56,171	30,806	34,430
Amount involved in cases referred to DRTs	2,25,361	68,956	4,02,629	79,414	1,29,516
Amount recovered through DRTs*	8,113	12,035	39,777	13,527	12,363

Source: RBI
